

Testimony on Substitute H.B. 5121
9 Dec. 2009
Regulatory Reform Comm.
Hon. Bert Johnson – Chair

Name: Joseph M. Potvin

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Memberships:

- Life Member VFW-US
Post 6986, Onondaga, MI

- Life Member VFW National Home
Eaton Rapids Michigan

- Board Member Michigan Charitable Gaming Association
Serve as member of the Public Policy Comm.

State Rep. Hon Rick Jones, a member of this Comm.

The Charities that make use of gaming activities regulated by the Mich. Charitable Gaming Division of the State Lottery generate over \$80MM through various gaming activities. These monies are used to support their efforts running the gamut of charitable pursuits from feeding the hungry, helping the blind, fighting breast cancer. Supporting FFA, educating our young and every other worthy charitable pursuit you may think of, they step in to fill the gaps where Government leaves a hole. Organizations such as the VFW, Kiwanis, Lions, Rotary, Marine Corp. League, American Foreign Legion, Athletic Booster Clubs, and Educational Institutions all participate. The list is endless. Your sons and daughters and neighbors and constituents all benefit from these efforts.

There are over 8,200 Millionaire Party Licenses issued each year alone.

A firestorm of protest was ignited earlier this year when H.B. 5121 was originally introduced. The proposal to raise the “Large” Millionaire Party fee from \$50.00 /day to \$ 250.00 /day, met with protest from our members and Millionaire Party charities. It was non starter for us. There were other provisions in the bill that threatened the survival of Millionaire Party activities.

After months of negotiation with Rep. Haugh and the involved charities, substitute H.B. 5121 is the result. Most of the provisions of the new bill very desirable and would go a long way toward fixing the perceived problems with Charitable Gaming activities there is one particular item in the new bill that is a problem for me and my organization.

While the rollback of the proposed fee from \$ 250.00 /day to 100.00 /day would appear to be to our benefit it is in fact a 100% fee increase. Originally we were told that the higher fee was needed to support additional Regulatory activity. The Charitable Gaming Division already operates at a significant surplus. Any surplus they generate goes to the State General Fund therefore any fee increase this bill would generate would also go directly to the State General Fund.

I have to ask you why the State Legislature would impose a Tax on the Charities of the State of Michigan. This would cost my Charity and additional \$ 800.00 per year, money that will go directly to the State General fund. This money would normally be used to support charitable activities in our communities and provide for aid to the hungry, the poor, the sick, to help us bury our dead, support the widows orphans and needy at the VFW National Home and the many other activities of the good charities of the State of Michigan.

I respectfully request that you revisit the fee increase contained in H.B. 5121 and return the fee level back to \$ 50.00 / Day.

Thank you for you time.